

Trade Notes...

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Libya Is Now Eligible for USDA Export Promotion

Libya is now fully eligible for USDA export promotion, export credit guarantee and export assistance programs. Previously, U.S. exporters could ship food and medicine to Libya, but only without U.S. government assistance. After a 20-year absence, USDA funds can now be used by industry partners to re-introduce Libyan agribusiness to U.S. products. The country is an attractive market for a variety of U.S. agricultural commodities. Several FAS export market development cooperators are planning to conduct a range of activities from trade servicing, training on commercial contracting, inviting trade teams to the United States, milling training and other activities. FAS is exploring the feasibility of using export credit guarantees.

In 2004, Libya is expected to have imported \$1.0-1.2 billion in agricultural products—primarily wheat, wheat flour, corn, rice, vegetable oil and dairy products—to feed its population of roughly 5 million. The European Union is the dominant supplier, having captured roughly 50 percent of the import market. Over time, the United States could gain a share of the Libyan import market similar to the 10-20 percent share that it enjoys in other North African markets. At current import levels, this would translate into a potential U.S. export market of \$100-240 million a year.

First Wood Frame Housing Construction License Issued in China

In September, China's Ministry of Construction issued its first wood frame housing construction license, which went to a subsidiary of a U.S. company. The new licensing program will allow companies to build houses without forming joint ventures with Chinese companies. The license, limited to houses with a value of \$1.5 million or less, should free builders from requirements that had previously impeded most wood frame construction projects in China. Over the last several years, the U.S. wood industry actively participated in China's building code revision process to permit residential wood frame construction. Although the revised code will likely create new opportunities for U.S. wood products in China, many Canadian and Russian wood products are more price-competitive. In 2003, U.S. softwood lumber exports to China totaled \$19 million.